

**CITY OF CORPUS CHRISTI
CORPUS CHRISTI WATER**

TO: Peter Zanoni, City Manager
FROM: Drew Molly, P.E., Chief Operating Officer
COPY: Mayor & City Council
DATE: May 30, 2025

 5/30/25

SUBJECT: Alternative Water Supply Projects Update

Corpus Christi Water (CCW) continues to evaluate the four major alternative water supply projects, which include the Nueces River Groundwater Wells Project, the Evangeline Groundwater Project, the EV Ranch Project, and the South Texas Water Authority (STWA). These are in addition to the Inner Harbor Water Treatment Campus, which is currently progressing with design under the City Council approved design-build contract with Kiewit.

CCW is working with Garver to finalize the Emergency Evaluation of Ground Water Supply Alternatives by next week.

Phase 1: Nueces River Groundwater Wells Project

Phase I consists of obtaining the necessary TCEQ Bed and Banks permit to discharge up to 15,680 acre-feet per year of groundwater into the Nueces River. As of today, the current expenditures for this project are \$6,004,592 (no change from last week).

A summary of the most recently completed activities includes:

- Groundwater Wells:
 - Completion of Well No. 1
 - Installation of a permanent pump for Well No. 2
 - City staff anticipate the well to be operable beginning next week
 - Waiting for permanent pump equipment to arrive at Well No. 3
 - City staff anticipate the well to be operable by mid-June
 - Completion of the pump design for Well No. 4
 - City staff anticipate the well to be operable by the end of June
 - Completion of drilling of Well No. 5 and No. 6, with test pumping to begin next week
 - Mobilization of drilling teams to Well No. 7 and No. 8, with drilling to begin next week
- Bed and Banks Permit
 - City staff have completed responses for two of three items requested by the Texas Commission on Environmental Quality (TCEQ) earlier this week
 - The third item is being addressed by a consultant specializing in Coastal and Marine sciences to enhance the Aquatic Life Monitoring Plan. That information will be submitted next week. We expect two additional weeks for TCEQ to issue a provisional permit, requiring a 30-day public notice before final issuance

Alternative Water Supply Projects Update

Page 2

On Friday, May 30th, the CCW team met with Intera to discuss the initial results from the hydrogeologic modeling on the Nueces River Groundwater well field. The well field is at an approximate depth of 700 to 850-feet below ground surface, and hydraulically separated from the shallow groundwater aquifer by using well construction techniques that include sealing the upper and lower zones with cement-casing in the City wells.

The results of the model showed minimal long-term impact to local domestic wells from future projected pumping. As a precaution, CCW has already installed five monitoring wells in the immediate area to monitor the conditions of the shallow groundwater aquifer, which will be used to ensure that if any adverse water-level conditions arise, appropriate changes will be made to how the well-field is operated. A preliminary memo will be provided to CCW on Monday, June 2nd, with a final report provided within the next two weeks.

Phase 2: Nueces River Groundwater Wells Project

Phase 2 of the Nueces Groundwater Wells Project involves treating the Nueces River groundwater to meet drinking water standards and distributing it to the drinking water system. The Garver team is developing a conceptual site layout, estimating costs, and creating a schedule to deliver up to 24 MGD, which is expected to be completed by the close of business on May 30, 2025.

Evangeline Groundwater Project

On Wednesday, May 28th, CCW, City Attorneys, groundwater consultant (Charles Porter), technical staff from Garver, and outside legal counsel (Jason Hill) met to discuss the outstanding legal issues associated with the project. Concurrently, our team is conducting a title search of the property, which will take three weeks to complete. The results of the title search will assist our legal team with the necessary due diligence; however, there is significant concern over documents recently discovered that indicate the groundwater may not be 100% in possession of Evangeline Laguna, LP.

A subsequent meeting was scheduled later on Friday, May 30th, with the same team above, but included Mayor Guajardo, Council Member Vaughn, and the City Manager to review Evangeline Title Work and Valuation. The overall summary is that outside legal counsel continues to wait for Evangeline Laguna, LLP, to provide the requested chain of title documentation, including deed documentation, letter agreements, and surface use agreements.

Additionally, CCW's groundwater consultant reviewed the appraisal from Evangeline and disagrees with most of its conclusions.

A revised MOU was submitted to Evangeline on Friday, May 30th, requesting a 60-day extension to the date for providing a counter-offer and other timelines therein.

EV Ranch Groundwater Project

On Tuesday, May 27th at 10:30 am, Garver Engineering had a call with Darrell Brownlow from the Catahoula Company to discuss updates to the EV Ranch project. Recently, the EV Ranch team shared aquifer drawdown maps that were developed for the Evangeline project. Since the CCW technical team was unaware of drawdown modeling for this project, they scheduled a meeting to learn more about the source of the information. They mentioned that they hired a hydrogeologist with AGS but would not share the results of the modeling at this time.

Alternative Water Supply Projects Update

Page 3

South Texas Water Authority (STWA)

On Tuesday, May 27th, the County Judge of Kleberg County, Rudy Madrid requested a meeting with Mayor Paulette Guajardo at City Hall. County Judge Rudy Madrid invited Nueces County Judge, several STWA board members, including President Jose Graveley and Vice President Frances Garcia, and their General Manager John Marez and Chief Financial Officer, Joella Wagoner, as well as District Manager for State Senator Adam Hinajosa, Chad Magill, several contractor/consultants working for Kleberg County including Rosana Ramirez from Seven Seas, and Ray Santos. The Mayor requested COO, Drew Molly, and City Manager, Peter Zanon to attend the meeting. There was no agenda or prior established meeting objectives.

Judge Rudy Madrid discussed the need for developing more water in the region and the importance of working with regional partners. He discussed the new carbon capture plant being developed by Occidental Petroleum's division called One Point Five to sequester carbon dioxide and store it underground at the King Ranch. Judge Madrid stated that this new facility would create excellent paying new jobs and would be expanded for many years.

The Judge stated that STWA signed a contract with Seven Seas in August 2024 to develop a brackish groundwater system. The contract, which has not been made publicly available, apparently describes costs and timeframes for the delivery of this project. STWA stated they would send a copy of the contract to the City later in the week. On Wednesday, May 28th, the STWA attorney, Charlie Zahn contacted the City and stated the Contract could only be released upon a specific request for it. The City responded with a request for the Contract on Friday, May 30th.

Judge Madrid stated that STWA would host a groundbreaking ceremony on July 8, 2025, to celebrate the installation of their first test well. The ultimate production quantity of this well was described as 3 million gallons per day (MGD). The test well was drilled to a depth of approximately 1000 feet below ground surface (bgs) near the town of Driscoll on land apparently leased to Seven Seas by the Ed Rachal Foundation.

Judge Madrid stated that he would consider allowing the City to participate in the Seven Seas project if the City desired to make a reservation request. He requested a response within the next few weeks; however, the Seven Seas representative stated that a response could be provided as late as September 2025.

CCW will be presenting an overview of this project at the City Council meeting on Tuesday, June 10th. CCW has contacted STWA General Manager John Marez and requested that he present additional material from his agency to our City Council as well, which he has agreed to do.